

GRAY COUNTY, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Gray County, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Gray County, Kansas, as of and for the year ended December 31, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the County on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Gray County, Kansas as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Gray County, Kansas as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

The 2014 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures (Schedule 2 as listed in the table of contents) upon which we rendered an unmodified opinion dated May 15, 2015 is also presented for comparative analysis and is not a required part of the 2015 basic financial statement. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/chief-financial-officer/municipal-services/municipal-audits>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

May 27, 2016

GRAY COUNTY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2015

Funds	Beginning unencumbered cash balance	Prior year canceled encumbrances
General fund	\$ 1,177,984	\$ -
Special purpose funds:		
Road and bridge	672,582	-
Special bridge	400,124	-
Waste disposal	105,211	-
Noxious weed	50,541	-
County health	23,635	-
Mental health	7,181	-
Mental retardation	5,081	-
Conservation district	3,982	-
Extension council	21,330	-
Historical society	2,064	-
Free fair	21,303	-
Council on aging	12,597	-
Ambulance	229,481	-
Appraiser's cost	-	-
Direct election expense	26,732	-
Tort liability expense	108,492	-
Employee benefits	1,045,946	-
Rural fire district	83,672	-
County library	11,525	-
Non-budgeted special purpose funds:		
Special highway	19,528	-
County clerk technology	-	-
County treasurer technology	-	-
Register of deeds technology	19,953	-
Special health	36,005	-
Regional bio-terrorism	5,790	-
Ambulance special equipment	11,068	-
PSAP 911 E	163,965	-
Ambulance spec equip - South	4,586	-
Search and rescue	146	-
Enhanced 911 grant	3,561	-
Capital improvements	1,847,692	-
Equipment reserve	783,659	-
Prosecuting attorney trust	17,569	-
Sex offender	2,060	-
Special law enforcement trust	17,464	-
Special vehicle	29,684	-
Postage	6,063	-
Local drug seizure	20,196	-
Veterans memorial	4,017	-
Law enforcement equipment	596	-
Alcohol programs	523	-
Parks and recreation	335	-
Rural fire training	-	-
Drug task force	894	-
Total special purpose funds	5,826,833	-
Total reporting entity - excluding agency funds	\$ 7,004,817	\$ -

Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
\$ 2,448,153	\$ 2,793,758	\$ 832,379	\$ 86,558	\$ 918,937
3,140,424	3,429,015	383,991	71,076	455,067
89,388	91,219	398,293	-	398,293
614,415	599,472	120,154	14,829	134,983
159,858	104,151	106,248	2,943	109,191
205,691	196,069	33,257	6,369	39,626
45,286	46,996	5,471	-	5,471
31,257	32,572	3,766	-	3,766
24,203	25,188	2,997	-	2,997
150,169	155,022	16,477	-	16,477
15,366	15,721	1,709	-	1,709
148,751	153,546	16,508	-	16,508
100,561	102,796	10,362	-	10,362
355,040	343,199	241,322	17,125	258,447
217,293	204,499	12,794	11,965	24,759
27,249	20,489	33,492	354	33,846
-	-	108,492	-	108,492
1,081,267	1,154,437	972,776	-	972,776
45,359	129,031	-	12,767	12,767
23,230	34,000	755	-	755
218,470	237,251	747	-	747
2,579	-	2,579	-	2,579
2,579	-	2,579	-	2,579
10,316	12,351	17,918	-	17,918
121,158	59,003	98,160	20	98,180
32,723	37,790	723	5,687	6,410
2,508	-	13,576	-	13,576
50,584	33,430	181,119	-	181,119
4,655	-	9,241	-	9,241
-	-	146	-	146
-	-	3,561	-	3,561
689,554	-	2,537,246	-	2,537,246
316,442	223,853	876,248	37,494	913,742
2,793	1,442	18,920	-	18,920
680	500	2,240	-	2,240
16	11,401	6,079	-	6,079
66,491	60,482	35,693	36	35,729
4,178	5,953	4,288	-	4,288
2,360	-	22,556	-	22,556
350	1,790	2,577	-	2,577
-	-	596	-	596
-	-	523	-	523
-	-	335	-	335
600	-	600	-	600
-	-	894	-	894
8,003,843	7,522,668	6,308,008	180,665	6,488,673
\$ 10,451,996	\$ 10,316,426	\$ 7,140,387	\$ 267,223	\$ 7,407,610

GRAY COUNTY, KANSAS**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended December 31, 2015

	<u>Ending cash balance</u>
Composition of cash balance:	
Cash on hand	\$ 63,408
Checking accounts	1,429,375
Money market accounts	<u>16,126,853</u>
Total cash	17,619,636
Agency funds	<u>(10,212,026)</u>
Total reporting entity - excluding agency funds	<u><u>\$ 7,407,610</u></u>

The notes to the financial statement are an integral part of this statement.

GRAY COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2015

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the County's financial statement. The financial statement and notes are representations of the County's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

Gray County, Kansas is a municipal corporation governed by an elected three-member commission. This regulatory financial statement does not include the related municipal entities shown below. A related municipal entity is an entity established to benefit the County and/or its constituents.

Gray County Free Fair Association. The Association is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the Association is prohibited from issuing bonded debt without the approval of the County Commission.

Gray County Library District. The members of the governing board of the District are appointed by the County Commissioners. The District is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the District is prohibited from issuing bonded debt without the approval of the County Commission.

Gray County Extension Council. The Council is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the Council is prohibited from issuing bonded debt without the approval of the County Commission.

2. Basis of Presentation – Fund Accounting

The accounts of the County are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the County for the year ended December 31, 2015:

REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Agency funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing funds, tax collection accounts, etc).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The County has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the County to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund and special purpose funds (unless specifically exempted by statute). Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in a local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

A legal operating budget is not required for agency funds and the following special purpose funds:

Special Highway	Prosecuting Attorney Trust
County Clerk Technology	Sex Offender
County Treasurer Technology	Special Law Enforcement Trust
Register of Deeds Technology	Special Vehicle
Special Health	Postage
Regional Bio-Terrorism	Local Drug Seizure
Ambulance Special Equipment	Veterans Memorial
PSAP 911E	Law Enforcement Equipment
Ambulance Spec Equip - South	Alcohol Programs
Search and Rescue	Parks and Recreation
Enhanced 911 Grant	Rural Fire Training
Capital Improvements	Drug Task Force
Equipment Reserve	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds to have a main or branch bank in the County, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2015.

At December 31, 2015, the County's carrying amount of deposits was \$17,556,228 and the bank balance was \$17,883,156. Of the bank balance, \$615,243 was covered by federal depository insurance and \$17,267,913 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

C. LONG-TERM DEBT

Changes in long-term liabilities for the County for the year ended December 31, 2015, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions/ net change</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Capital leases:					
KDOT communications equipment Issued September 1, 2010 In the amount of \$44,238 At interest rate of 5.15% Maturing December 15, 2021	\$ 28,600	\$ -	\$ 3,565	\$ 25,035	\$ 1,293
Caterpillar motor graders Issued November 30, 2012 In the amount of \$483,670 At interest rate of 3.20% Maturing January 1, 2015	123,813	-	123,813	-	1,981
Caterpillar packer Issued June 15, 2015 In the amount of \$183,554 At interest rate of 2.85% Maturing February 15, 2019	-	183,554	-	183,554	-
Aztec mobile screening plant Issued October 15, 2015 In the amount of \$164,500 At interest rate of 2.38% Maturing February 15, 2019	-	164,500	-	164,500	-
Total capital leases	<u>\$ 152,413</u>	<u>\$ 348,054</u>	<u>\$ 127,378</u>	<u>\$ 373,089</u>	<u>\$ 3,274</u>

Current maturities of capital leases and interest for the next five years and in five year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2016	\$ 90,607	\$ 5,924	\$ 96,531
2017	88,702	7,829	96,531
2018	91,107	5,424	96,531
2019	93,580	2,952	96,532
2020	4,446	411	4,857
2021	4,647	210	4,857
Total	<u>\$ 373,089</u>	<u>\$ 22,750</u>	<u>\$ 395,839</u>

D. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfers:			
General	Equipment reserve	K.S.A. 19-119	\$ 118,315
General	Capital improvements	K.S.A. 19-120	686,197
Waste disposal	Equipment reserve	K.S.A. 19-119	60,000
Ambulance	Equipment reserve	K.S.A. 19-119	75,000
Appraiser's cost	Equipment reserve	K.S.A. 19-119	11,500
Rural fire district	Equipment reserve	K.S.A. 19-119	50,030
Special vehicle	General	K.S.A. 8-145	32,007
Special law enforc.	Local drug seizure	Resolution	<u>1,817</u>
Total operating transfers			<u>\$ 1,034,866</u>
Transfers to related municipal entities:			
Extension council fund	Extension Council	K.S.A. 2-610	\$ 153,849
Free fair fund	Free Fair Association	K.S.A. 2-129	152,375
County library fund	Library District	K.S.A. 12-1220	<u>34,000</u>
Total transfers to related municipal entities			<u>\$ 340,224</u>

E. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other post employment benefits. As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While most retirees pay the full amount of the applicable premium, conceptually, the County is subsidizing the retirees because each participant is charged a level of premium regardless of age. The County will pay a portion of the premium if certain conditions are met.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Vacation leave – The County's policies regarding vacations permit employees to accumulate a maximum of eighteen calendar days of vacation. Upon termination or resignation from service with the County, employees are entitled to payment for all accumulated vacation earned prior to termination or resignation up to a maximum of eighteen days.

Sick leave – All employees on permanent status earn sick leave at the rate of one calendar day per month with a maximum accumulation of one hundred thirty calendar days of sick leave. No allowance for unused sick leave is paid upon termination or resignation. The County has a sick leave bank whereby employees can transfer excess sick leave to be used by employees who are on extended sick leave and have exhausted their own sick leave accumulation. The sick leave bank is administered by the County Commissioners.

Section 125 cafeteria plan/health insurance – The County offers a Section 125 cafeteria plan for all employees electing to participate. It can be used for health insurance premiums, unreimbursed medical and dependent care expense. The plan is administered by an independent insurance company.

Section 457 deferred compensation plan – The County offers a Section 457 deferred compensation plan to all employees on a voluntary basis. The County does not contribute to the plan, which is administered by a third party.

F. DEFINED BENEFIT PENSION PLAN

Plan description. The County participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after July 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by the County and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.48% for KPERS and 21.36% for KP&F for the fiscal year ended December 31, 2015. Contributions to the pension plan from the County were \$248,131 and \$100,418 for KP&F for the year ended December 31, 2015.

Net Pension Liability. At December 31, 2015, the County's proportionate share of the collective net pension liability reported by KPERS was \$1,880,043 and \$754,240 for KP&F. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The County's proportion of the net pension liability was based on the ratio of the County's contributions to KPERS, relative to the total employer and non-employer contributions of the local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial report including all actuarial assumptions and methods, and the report on the allocation of the KPERS net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

H. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical needs of employees. The County participates in public entity risk pools to cover property, liability and worker's compensation claims. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

I. PUBLIC ENTITY RISK POOLS

The County is a member of the Kansas Workers Risk Cooperative for Counties (KWORCC), a group funded pool for workers compensation coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Cooperative as determined by the Board of Trustees based upon experience modification factors, payroll audits and any other bases the Board considers appropriate. It is not possible to estimate the maximum contributions which could be required. KWORCC covers claims up to \$700,000 each and aggregate excess reinsurance provides aggregate coverage up to \$3,000,000. Except for required contributions, no member can be held responsible for any claims made against any other member.

The County is also a member of the Kansas County Association Multi-Line Pool (KCAMP), a group funded pool for property, liability, crime and surety coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Pool as determined by the Board of Trustees. It is not possible to estimate the maximum contributions which could be required. KCAMP covers property loss up to the scheduled amount of values on file which is \$15,130,289, \$300,000 for liability and \$150,000 for crime. Excess reinsurance provides aggregate coverage up to \$1,700,000 for liability. Except for required contributions, no member can be held responsible for any claims made against any other member.

J. CONTINGENCIES

The County receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, would be insignificant.

K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 27, 2016, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in the financial statement.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

GRAY COUNTY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015

Fund	Certified budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General fund	\$ 2,793,758	\$ -	\$ 2,793,758	\$ 2,793,758	\$ -
Special purpose funds:					
Road and bridge	3,213,919	215,096	3,429,015	3,429,015	-
Special bridge	484,297	-	484,297	91,219	393,078
Waste disposal	628,520	-	628,520	599,472	29,048
Noxious weed	170,094	-	170,094	104,151	65,943
County health	198,603	-	198,603	196,069	2,534
Mental health	46,996	-	46,996	46,996	-
Mental retardation	32,572	-	32,572	32,572	-
Conservation district	25,188	-	25,188	25,188	-
Extension council	155,022	-	155,022	155,022	-
Historical society	15,721	-	15,721	15,721	-
Free fair	153,546	-	153,546	153,546	-
Council on aging	102,796	-	102,796	102,796	-
Ambulance	397,767	-	397,767	343,199	54,568
Appraiser's cost	233,760	-	233,760	204,499	29,261
Direct election expense	44,197	-	44,197	20,489	23,708
Tort liability expense	108,492	-	108,492	-	108,492
Employee benefits	1,576,441	-	1,576,441	1,154,437	422,004
Rural fire district	149,300	-	149,300	129,031	20,269
County library	34,000	-	34,000	34,000	-
Total	<u>\$ 10,564,989</u>	<u>\$ 215,096</u>	<u>\$ 10,780,085</u>	<u>\$ 9,631,180</u>	<u>\$ 1,148,905</u>

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 402,014	\$ 553,328	\$ 532,530	\$ 20,798
Delinquent tax	6,159	3,812	4,096	(284)
Motor vehicle tax	71,309	47,910	38,509	9,401
Recreational vehicle tax	1,103	915	698	217
16/20M truck tax	6,484	738	2,378	(1,640)
Interest on delinquent tax	13,429	196,066	15,000	181,066
Local sales tax	510,556	505,448	400,000	105,448
Mineral production tax	20,407	23,716	10,000	13,716
Licenses, permits and fees:				
Mortgage registration fees	88,521	107,056	20,000	87,056
County officers' fees	30,019	36,896	20,000	16,896
Diversion fees	56,617	54,225	20,000	34,225
Other fees	25,207	21,098	1,000	20,098
Charges for services:				
Law enforcement contract	158,149	166,850	140,000	26,850
Interest	17,998	10,460	20,000	(9,540)
Gifts from wind energy companies	644,506	655,830	657,396	(1,566)
Other	52,821	31,798	25,000	6,798
Operating transfers in	26,270	32,007	29,000	3,007
Total receipts	<u>2,131,569</u>	<u>2,448,153</u>	<u>\$ 1,935,607</u>	<u>\$ 512,546</u>
Expenditures:				
County commissioners:				
Personal services	33,901	37,069	\$ 33,555	\$ (3,514)
Commodities	13	14	-	(14)
Contractual services	<u>6,250</u>	<u>2,732</u>	<u>7,500</u>	<u>4,768</u>
Subtotal	<u>40,164</u>	<u>39,815</u>	<u>41,055</u>	<u>1,240</u>

GRAY COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
County clerk:				
Personal services	\$ 82,532	\$ 92,391	\$ 89,000	\$ (3,391)
Commodities	5,027	4,316	5,500	1,184
Contractual services	3,987	3,668	5,500	1,832
Capital outlay	-	-	2,000	2,000
Subtotal	91,546	100,375	102,000	1,625
County treasurer:				
Personal services	135,176	123,309	158,000	34,691
Commodities	3,487	5,014	2,500	(2,514)
Contractual services	10,966	10,937	24,355	13,418
Subtotal	149,629	139,260	184,855	45,595
County attorney:				
Personal services	88,773	89,824	90,000	176
Commodities	5,558	3,477	2,000	(1,477)
Contractual services	37,194	41,460	48,000	6,540
Subtotal	131,525	134,761	140,000	5,239
Register of deeds:				
Personal services	74,212	76,913	72,216	(4,697)
Commodities	4,611	3,214	7,200	3,986
Contractual services	2,552	2,235	5,181	2,946
Capital outlay	-	-	2,100	2,100
Subtotal	81,375	82,362	86,697	4,335
Custodian:				
Personal services	68,337	70,278	67,445	(2,833)
Commodities	4,216	3,644	13,000	9,356
Contractual services	2,984	2,601	-	(2,601)
Subtotal	75,537	76,523	80,445	3,922

GRAY COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
District court:				
Commodities	\$ 6,049	\$ 8,252	\$ 5,050	\$ (3,202)
Contractual services	58,582	64,667	67,970	3,303
Capital outlay	-	-	5,515	5,515
Subtotal	64,631	72,919	78,535	5,616
Courthouse general:				
Personal services	185,040	176,084	176,000	(84)
Commodities	13,826	23,661	45,000	21,339
Contractual services	364,339	267,967	300,000	32,033
Capital outlay	-	-	56,700	56,700
Subtotal	563,205	467,712	577,700	109,988
Sheriff:				
Personal services	666,004	687,619	685,000	(2,619)
Commodities	101,604	59,634	150,000	90,366
Contractual services	155,161	210,584	160,000	(50,584)
Capital outlay	88,387	-	40,000	40,000
Subtotal	1,011,156	957,837	1,035,000	77,163
Civil defense:				
Commodities	3,208	5,163	18,575	13,412
Contractual services	8,984	9,957	16,970	7,013
Capital outlay	-	-	12,000	12,000
Subtotal	12,192	15,120	47,545	32,425
Diversion fees:				
Personal services	-	1,641	-	(1,641)
Capital outlay	12,000	4,895	15,000	10,105
Subtotal	12,000	6,536	15,000	8,464

GRAY COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		
	2014	Actual	Budget	favorable (unfavorable)
Farm expense:				
Commodities	\$ 7,925	\$ -	\$ -	\$ -
Contractual services	1,760	-	-	-
Subtotal	9,685	-	-	-
Road and bridge	32,478	31,079	-	(31,079)
Appraiser	49,556	-	-	-
Transportation	-	10,144	-	(10,144)
Reimbursed expenditures	(150,158)	(150,176)	-	150,176
Transfer to other funds:				
Capital improvement	602,439	686,197	400,000	(286,197)
Equipment reserve	92,015	118,315	-	(118,315)
Subtotal	694,454	804,512	400,000	(404,512)
Neighborhood revitalization rebate	2,528	4,979	4,926	(53)
Total expenditures	2,871,503	2,793,758	\$ 2,793,758	\$ -
Receipts over (under) expenditures	(739,934)	(345,605)		
Unencumbered cash, beginning of year	1,917,918	1,177,984	\$ 858,151	\$ 319,833
Unencumbered cash, end of year	\$ 1,177,984	\$ 832,379		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

ROAD AND BRIDGE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 2,274,400	\$ 2,154,187	\$ 2,072,404	\$ 81,783
Delinquent tax	18,270	16,804	23,176	(6,372)
Motor vehicle tax	376,019	274,741	217,863	56,878
Recreational vehicle tax	6,066	5,257	3,953	1,304
16/20M tax	10,938	9,668	13,450	(3,782)
Gasoline tax	435,781	454,150	407,733	46,417
State and federal aid	-	215,096	-	215,096
Other	14,245	10,521	-	10,521
Total receipts	<u>3,135,719</u>	<u>3,140,424</u>	<u>\$ 2,738,579</u>	<u>\$ 401,845</u>
Expenditures:				
Highway and streets	3,172,656	3,510,702	\$ 3,194,750	\$ (315,952)
Reimbursed expenditures	(172,745)	(101,062)	-	101,062
Neighborhood revitalization rebate	14,299	19,375	19,169	(206)
Adjustment for qualifying budget credits	-	-	215,096	215,096
Total expenditures	<u>3,014,210</u>	<u>3,429,015</u>	<u>\$ 3,429,015</u>	<u>\$ -</u>
Receipts over (under) expenditures	121,509	(288,591)		
Unencumbered cash, beginning of year	<u>551,073</u>	<u>672,582</u>	<u>\$ 475,340</u>	<u>\$ 197,242</u>
Unencumbered cash, end of year	<u>\$ 672,582</u>	<u>\$ 383,991</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

SPECIAL BRIDGE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ -	\$ 89,388	\$ 86,147	\$ 3,241
Delinquent tax	184	-	-	-
Total receipts	184	89,388	\$ 86,147	\$ 3,241
Expenditures:				
Highways and streets	12,819	91,214	\$ 483,500	\$ 392,286
Reimbursed expenditures	(1,609)	(800)	-	800
Neighborhood revitalization rebate	-	805	797	(8)
Total expenditures	11,210	91,219	\$ 484,297	\$ 393,078
Receipts over (under) expenditures	(11,026)	(1,831)		
Unencumbered cash, beginning of year	411,150	400,124	\$ 398,150	\$ 1,974
Unencumbered cash, end of year	\$ 400,124	\$ 398,293		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

WASTE DISPOSAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 101,691	\$ 114,667	\$ 110,323	\$ 4,344
Special assessments	344,603	346,956	343,139	3,817
Delinquent tax	695	775	1,036	(261)
Motor vehicle tax	16,219	12,214	9,738	2,476
Recreational vehicle tax	258	234	177	57
16/20M tax	829	328	601	(273)
Charges for services	135,635	131,734	120,000	11,734
Other	3,271	7,507	-	7,507
Total receipts	<u>603,201</u>	<u>614,415</u>	<u>\$ 585,014</u>	<u>\$ 29,401</u>
Expenditures:				
Sanitation:				
Personal services	38,740	39,799	\$ 39,500	\$ (299)
Commodities	7,602	12,632	33,000	20,368
Contractual services	475,512	486,009	495,000	8,991
Capital outlay	-	-	60,000	60,000
Transfer to equipment reserve	60,000	60,000	-	(60,000)
Neighborhood revitalization rebate	639	1,032	1,020	(12)
Total expenditures	<u>582,493</u>	<u>599,472</u>	<u>\$ 628,520</u>	<u>\$ 29,048</u>
Receipts over (under) expenditures	20,708	14,943		
Unencumbered cash, beginning of year	<u>84,503</u>	<u>105,211</u>	<u>\$ 43,506</u>	<u>\$ 61,705</u>
Unencumbered cash, end of year	<u>\$ 105,211</u>	<u>\$ 120,154</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

NOXIOUS WEED FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 76,910	\$ 134,053	\$ 129,038	\$ 5,015
Delinquent tax	1,109	754	783	(29)
Motor vehicle tax	22,131	9,430	7,361	2,069
Recreational vehicle tax	356	181	134	47
16/20M tax	761	540	454	86
Other	32	14,900	-	14,900
Total receipts	<u>101,299</u>	<u>159,858</u>	<u>\$ 137,770</u>	<u>\$ 22,088</u>
Expenditures:				
Highways and streets	180,659	127,501	\$ 168,900	\$ 41,399
Reimbursed expenditures	(32,577)	(24,556)	-	24,556
Neighborhood revitalization rebate	483	1,206	1,194	(12)
Total expenditures	<u>148,565</u>	<u>104,151</u>	<u>\$ 170,094</u>	<u>\$ 65,943</u>
Receipts over (under) expenditures	(47,266)	55,707		
Unencumbered cash, beginning of year	<u>97,807</u>	<u>50,541</u>	<u>\$ 32,324</u>	<u>\$ 18,217</u>
Unencumbered cash, end of year	<u>\$ 50,541</u>	<u>\$ 106,248</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNTY HEALTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 155,317	\$ 184,711	\$ 177,737	\$ 6,974
Delinquent tax	1,077	1,061	1,583	(522)
Motor vehicle tax	20,642	18,666	14,876	3,790
Recreational vehicle tax	332	357	270	87
16/20M tax	665	514	918	(404)
Other	401	382	-	382
Total receipts	<u>178,434</u>	<u>205,691</u>	<u>\$ 195,384</u>	<u>\$ 10,307</u>
Expenditures:				
Health and welfare:				
Personal services	143,233	162,215	\$ 167,304	\$ 5,089
Commodities	51,709	51,880	52,910	1,030
Contractual services	6,929	7,968	16,745	8,777
Reimbursed expenditures	(38,500)	(27,656)	(40,000)	(12,344)
Neighborhood revitalization rebate	977	1,662	1,644	(18)
Total expenditures	<u>164,348</u>	<u>196,069</u>	<u>\$ 198,603</u>	<u>\$ 2,534</u>
Receipts over (under) expenditures	14,086	9,622		
Unencumbered cash, beginning of year	<u>9,549</u>	<u>23,635</u>	<u>\$ 3,219</u>	<u>\$ 20,416</u>
Unencumbered cash, end of year	<u>\$ 23,635</u>	<u>\$ 33,257</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

MENTAL HEALTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts				
Taxes and shared revenue:				
Ad valorem property tax	\$ 42,062	\$ 39,606	\$ 38,130	\$ 1,476
Delinquent tax	372	321	429	(108)
Motor vehicle tax	7,288	5,082	4,029	1,053
Recreational vehicle tax	116	97	73	24
16/20M tax	242	180	249	(69)
Total receipts	50,080	45,286	\$ 42,910	\$ 2,376
Expenditures:				
Health and welfare:				
County appropriation	46,643	46,640	\$ 46,643	\$ 3
Neighborhood revitalization rebate	263	356	353	(3)
Total expenditures	46,906	46,996	\$ 46,996	\$ -
Receipts over (under) expenditures	3,174	(1,710)		
Unencumbered cash, beginning of year	4,007	7,181	\$ 4,086	\$ 3,095
Unencumbered cash, end of year	\$ 7,181	\$ 5,471		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

MENTAL RETARDATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 29,069	\$ 27,330	\$ 26,319	\$ 1,011
Delinquent tax	265	223	270	(47)
Motor vehicle tax	5,050	3,512	2,788	724
Recreational vehicle tax	81	67	51	16
16/20M tax	166	125	172	(47)
Total receipts	34,631	31,257	\$ 29,600	\$ 1,657
Expenditures:				
Health and welfare:				
County appropriation	32,329	32,326	\$ 32,329	\$ 3
Neighborhood revitalization rebate	182	246	243	(3)
Total expenditures	32,511	32,572	\$ 32,572	\$ -
Receipts over (under) expenditures	2,120	(1,315)		
Unencumbered cash, beginning of year	2,961	5,081	\$ 2,972	\$ 2,109
Unencumbered cash, end of year	\$ 5,081	\$ 3,766		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

CONSERVATION DISTRICT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 22,655	\$ 21,145	\$ 20,316	\$ 829
Delinquent tax	201	173	231	(58)
Motor vehicle tax	3,900	2,737	2,168	569
Recreational vehicle tax	63	52	39	13
16/20M tax	128	96	134	(38)
Total receipts	26,947	24,203	\$ 22,888	\$ 1,315
Expenditures:				
General government:				
County appropriation	24,999	25,000	\$ 25,000	\$ -
Neighborhood revitalization rebate	142	188	188	-
Total expenditures	25,141	25,188	\$ 25,188	\$ -
Receipts over (under) expenditures	1,806	(985)		
Unencumbered cash, beginning of year	2,176	3,982	\$ 2,300	\$ 1,682
Unencumbered cash, end of year	\$ 3,982	\$ 2,997		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS**EXTENSION COUNCIL FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 136,011	\$ 131,880	\$ 126,868	\$ 5,012
Delinquent tax	1,058	992	1,386	(394)
Motor vehicle tax	21,915	16,420	13,030	3,390
Recreational vehicle tax	354	314	236	78
16/20M tax	636	563	804	(241)
Total receipts	159,974	150,169	\$ 142,324	\$ 7,845
Expenditures:				
Transfer to related municipal entity	149,366	153,849	\$ 153,849	\$ -
Neighborhood revitalization rebate	852	1,173	1,173	-
Total expenditures	150,218	155,022	\$ 155,022	\$ -
Receipts over (under) expenditures	9,756	(4,853)		
Unencumbered cash, beginning of year	11,574	21,330	\$ 12,698	\$ 8,632
Unencumbered cash, end of year	\$ 21,330	\$ 16,477		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

HISTORICAL SOCIETY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 12,993	\$ 13,618	\$ 13,116	\$ 502
Delinquent tax	97	97	132	(35)
Motor vehicle tax	2,151	1,568	1,245	323
Recreational vehicle tax	35	30	23	7
16/20M tax	74	53	77	(24)
Total receipts	<u>15,350</u>	<u>15,366</u>	<u>\$ 14,593</u>	<u>\$ 773</u>
Expenditures:				
Culture and recreation:				
County appropriation	14,150	15,599	\$ 15,600	\$ 1
Neighborhood revitalization rebate	81	122	121	(1)
Total expenditures	<u>14,231</u>	<u>15,721</u>	<u>\$ 15,721</u>	<u>\$ -</u>
Receipts over (under) expenditures	1,119	(355)		
Unencumbered cash, beginning of year	<u>945</u>	<u>2,064</u>	<u>\$ 1,128</u>	<u>\$ 936</u>
Unencumbered cash, end of year	<u>\$ 2,064</u>	<u>\$ 1,709</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

FREE FAIR FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 127,185	\$ 131,601	\$ 126,595	\$ 5,006
Delinquent tax	1,092	953	1,296	(343)
Motor vehicle tax	21,431	15,363	12,181	3,182
Recreational vehicle tax	345	294	221	73
16/20M tax	666	540	752	(212)
Total receipts	150,719	148,751	\$ 141,045	\$ 7,706
Expenditures:				
Transfer to related municipal entity	140,448	152,375	\$ 152,375	\$ -
Neighborhood revitalization rebate	797	1,171	1,171	-
Total expenditures	141,245	153,546	\$ 153,546	\$ -
Receipts over (under) expenditures	9,474	(4,795)		
Unencumbered cash, beginning of year	11,829	21,303	\$ 12,501	\$ 8,802
Unencumbered cash, end of year	\$ 21,303	\$ 16,508		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNCIL ON AGING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 82,868	\$ 89,490	\$ 86,094	\$ 3,396
Delinquent tax	619	589	844	(255)
Motor vehicle tax	12,300	9,982	7,934	2,048
Recreational vehicle tax	198	191	144	47
16/20M tax	385	309	490	(181)
Total receipts	96,370	100,561	\$ 95,506	\$ 5,055
Expenditures:				
Health and welfare:				
County appropriation	89,999	102,000	\$ 102,000	\$ -
Neighborhood revitalization rebate	519	796	796	-
Total expenditures	90,518	102,796	\$ 102,796	\$ -
Receipts over (under) expenditures	5,852	(2,235)		
Unencumbered cash, beginning of year	6,745	12,597	\$ 7,290	\$ 5,307
Unencumbered cash, end of year	\$ 12,597	\$ 10,362		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

AMBULANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 322,620	\$ 198,806	\$ 191,078	\$ 7,728
Delinquent tax	2,293	2,314	3,299	(985)
Motor vehicle tax	52,290	39,067	31,010	8,057
Recreational vehicle tax	842	747	563	184
16/20M tax	1,635	1,316	1,914	(598)
Charges for services	101,664	112,629	40,000	72,629
Other	139	161	-	161
Total receipts	481,483	355,040	\$ 267,864	\$ 87,176
Expenditures:				
Health and welfare:				
Personal services	186,261	196,154	\$ 196,000	\$ (154)
Commodities	28,364	26,296	50,000	23,704
Contractual services	48,938	44,061	75,000	30,939
Capital outlay	-	-	75,000	75,000
Reimbursed expenditures	(78)	(99)	-	99
Transfer to equipment reserve	75,000	75,000	-	(75,000)
Neighborhood revitalization rebate	2,035	1,787	1,767	(20)
Total expenditures	340,520	343,199	\$ 397,767	\$ 54,568
Receipts over (under) expenditures	140,963	11,841		
Unencumbered cash, beginning of year	88,518	229,481	\$ 129,903	\$ 99,578
Unencumbered cash, end of year	\$ 229,481	\$ 241,322		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

APPRAISER'S COST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 59,958	\$ 207,672	\$ 200,017	\$ 7,655
Delinquent tax	1,564	847	611	236
Motor vehicle tax	30,203	7,575	5,740	1,835
Recreational vehicle tax	487	146	104	42
16/20M tax	945	760	354	406
Other	520	293	-	293
Total receipts	93,677	217,293	\$ 206,826	\$ 10,467
Expenditures:				
General government:				
Personal services	150,212	164,866	\$ 176,894	\$ 12,028
Commodities	7,387	10,368	11,800	1,432
Contractual services	31,090	15,895	31,716	15,821
Capital outlay	-	-	11,500	11,500
Reimbursed expenditures	(49,560)	-	-	-
Transfer to equipment reserve	11,500	11,500	-	(11,500)
Neighborhood revitalization rebate	376	1,870	1,850	(20)
Total expenditures	151,005	204,499	\$ 233,760	\$ 29,261
Receipts over (under) expenditures	(57,328)	12,794		
Unencumbered cash, beginning of year	57,328	-	\$ 26,934	\$ (26,934)
Unencumbered cash, end of year	\$ -	\$ 12,794		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

DIRECT ELECTION EXPENSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 38,970	\$ 22,153	\$ 21,312	\$ 841
Delinquent tax	203	243	397	(154)
Motor vehicle tax	3,743	4,654	3,736	918
Recreational vehicle tax	60	89	68	21
16/20M tax	153	85	231	(146)
Other	24	25	-	25
Total receipts	<u>43,153</u>	<u>27,249</u>	<u>\$ 25,744</u>	<u>\$ 1,505</u>
Expenditures:				
General government:				
Personal services	12,218	11,116	\$ 13,000	\$ 1,884
Commodities	3,041	1,171	6,000	4,829
Contractual services	15,684	8,003	25,000	16,997
Transfer to equipment reserve	7,000	-	-	-
Neighborhood revitalization rebate	245	199	197	(2)
Total expenditures	<u>38,188</u>	<u>20,489</u>	<u>\$ 44,197</u>	<u>\$ 23,708</u>
Receipts over (under) expenditures	4,965	6,760		
Unencumbered cash, beginning of year	<u>21,767</u>	<u>26,732</u>	<u>\$ 18,453</u>	<u>\$ 8,279</u>
Unencumbered cash, end of year	<u>\$ 26,732</u>	<u>\$ 33,492</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS**TORT LIABILITY EXPENSE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts	\$ -	\$ -	\$ -	\$ -
Expenditures:				
General government:				
Contractual services	-	-	\$ 108,492	\$ 108,492
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	108,492	108,492	\$ 108,492	\$ -
Unencumbered cash, end of year	\$ 108,492	\$ 108,492		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 950,436	\$ 948,500	\$ 912,564	\$ 35,936
Delinquent tax	9,357	7,865	9,682	(1,817)
Motor vehicle tax	223,052	116,332	91,012	25,320
Recreational vehicle tax	3,625	2,229	1,651	578
16/20M tax	4,053	6,341	5,619	722
Other	40	-	-	-
Total receipts	<u>1,190,563</u>	<u>1,081,267</u>	<u>\$ 1,020,528</u>	<u>\$ 60,739</u>
Expenditures:				
General government:				
Personal services	1,069,234	1,145,905	\$ 1,568,000	\$ 422,095
Neighborhood revitalization rebate	<u>5,974</u>	<u>8,532</u>	<u>8,441</u>	<u>(91)</u>
Total expenditures	<u>1,075,208</u>	<u>1,154,437</u>	<u>\$ 1,576,441</u>	<u>\$ 422,004</u>
Receipts over (under) expenditures	115,355	(73,170)		
Unencumbered cash, beginning of year	<u>930,591</u>	<u>1,045,946</u>	<u>\$ 555,913</u>	<u>\$ 490,033</u>
Unencumbered cash, end of year	<u>\$ 1,045,946</u>	<u>\$ 972,776</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

RURAL FIRE DISTRICT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 95,288	\$ 26,937	\$ 25,792	\$ 1,145
Delinquent tax	708	485	972	(487)
Motor vehicle tax	15,188	8,156	6,587	1,569
Recreational vehicle tax	221	144	112	32
16/20M tax	360	701	771	(70)
Gifts from wind energy companies	17,350	4,736	17,350	(12,614)
Other	2	4,200	-	4,200
Total receipts	<u>129,117</u>	<u>45,359</u>	<u>\$ 51,584</u>	<u>\$ (6,225)</u>
Expenditures:				
Public safety:				
Personal services	7,417	18,802	\$ 18,800	\$ (2)
Commodities	19,886	17,597	25,000	7,403
Contractual services	25,843	42,602	45,500	2,898
Capital outlay	-	-	60,000	60,000
Transfer to equipment reserve	60,000	50,030	-	(50,030)
Total expenditures	<u>113,146</u>	<u>129,031</u>	<u>\$ 149,300</u>	<u>\$ 20,269</u>
Receipts over (under) expenditures	15,971	(83,672)		
Unencumbered cash, beginning of year	67,701	83,672	\$ 97,716	\$ (14,044)
Unencumbered cash, end of year	<u>\$ 83,672</u>	<u>\$ -</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNTY LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 29,005	\$ 17,399	\$ 16,729	\$ 670
Delinquent tax	327	202	-	202
Motor vehicle tax	3,712	2,487	1,959	528
Recreational vehicle tax	66	51	40	11
16/20M tax	201	166	181	(15)
Gifts from wind energy companies	5,054	2,925	5,054	(2,129)
Total receipts	38,365	23,230	<u>\$ 23,963</u>	<u>\$ (733)</u>
Expenditures:				
Transfer to related municipal entity	34,000	34,000	<u>\$ 34,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	4,365	(10,770)		
Unencumbered cash, beginning of year	7,160	11,525	<u>\$ 10,037</u>	<u>\$ 1,488</u>
Unencumbered cash, end of year	<u>\$ 11,525</u>	<u>\$ 755</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES REGULATORY BASIS

For the Year Ended December 31, 2015

	<u>Special highway</u>	<u>County clerk technology</u>	<u>County treasurer technology</u>	<u>Register of deeds technology</u>	<u>Special health</u>	<u>Regional bio-terrorism</u>
Receipts:						
State and federal aid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,723
Licenses, permits and fees	-	2,579	2,579	10,316	-	-
Charges for services	-	-	-	-	55,539	-
Interest	-	-	-	-	-	-
Other	218,470	-	-	-	65,619	-
Operating transfers in	-	-	-	-	-	-
Total receipts	<u>218,470</u>	<u>2,579</u>	<u>2,579</u>	<u>10,316</u>	<u>121,158</u>	<u>32,723</u>
Expenditures:						
Personal services	-	-	-	-	-	-
Commodities	105,963	-	-	2,643	26,049	-
Contractual services	40,956	-	-	-	34,320	37,790
Capital outlay	90,332	-	-	9,708	-	-
Reimbursed expenditures	-	-	-	-	(1,366)	-
Remittance to state	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total expenditures	<u>237,251</u>	<u>-</u>	<u>-</u>	<u>12,351</u>	<u>59,003</u>	<u>37,790</u>
Receipts over (under) expenditures	(18,781)	2,579	2,579	(2,035)	62,155	(5,067)
Unencumbered cash, beginning of year	<u>19,528</u>	<u>-</u>	<u>-</u>	<u>19,953</u>	<u>36,005</u>	<u>5,790</u>
Unencumbered cash, end of year	<u>\$ 747</u>	<u>\$ 2,579</u>	<u>\$ 2,579</u>	<u>\$ 17,918</u>	<u>\$ 98,160</u>	<u>\$ 723</u>

Ambulance special equipment	PSAP 911E	Ambulance special equipment - South	Search and rescue	Enhanced 911 grant	Capital improve- ments	Equipment reserve
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	50,499	-	-	-	-	-
-	-	-	-	-	-	-
-	85	-	-	-	3,357	1,597
2,508	-	4,655	-	-	-	-
-	-	-	-	-	686,197	314,845
2,508	50,584	4,655	-	-	689,554	316,442
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	33,430	-	-	-	-	-
-	-	-	-	-	-	223,853
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	33,430	-	-	-	-	223,853
2,508	17,154	4,655	-	-	689,554	92,589
11,068	163,965	4,586	146	3,561	1,847,692	783,659
\$ 13,576	\$ 181,119	\$ 9,241	\$ 146	\$ 3,561	\$ 2,537,246	\$ 876,248

GRAY COUNTY, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES REGULATORY BASIS

For the Year Ended December 31, 2015

	Prosecuting attorney trust	Sex offender	Special law enforcement trust	Special vehicle	Postage	Local drug seizure
Receipts:						
State and federal aid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	2,793	680	-	66,491	-	-
Charges for services	-	-	-	-	4,178	-
Interest	-	-	16	-	-	-
Other	-	-	-	-	-	543
Operating transfers in	-	-	-	-	-	1,817
Total receipts	<u>2,793</u>	<u>680</u>	<u>16</u>	<u>66,491</u>	<u>4,178</u>	<u>2,360</u>
Expenditures:						
Personal services	-	-	-	27,688	-	-
Commodities	-	-	-	787	-	-
Contractual services	-	500	9,584	-	5,953	-
Capital outlay	-	-	-	-	-	-
Reimbursed expenditures	-	-	-	-	-	-
Remittance to state	1,442	-	-	-	-	-
Operating transfers out	-	-	1,817	32,007	-	-
Total expenditures	<u>1,442</u>	<u>500</u>	<u>11,401</u>	<u>60,482</u>	<u>5,953</u>	<u>-</u>
Receipts over (under) expenditures	1,351	180	(11,385)	6,009	(1,775)	2,360
Unencumbered cash, beginning of year	<u>17,569</u>	<u>2,060</u>	<u>17,464</u>	<u>29,684</u>	<u>6,063</u>	<u>20,196</u>
Unencumbered cash, end of year	<u>\$ 18,920</u>	<u>\$ 2,240</u>	<u>\$ 6,079</u>	<u>\$ 35,693</u>	<u>\$ 4,288</u>	<u>\$ 22,556</u>

See Independent Auditor's Report.

Veterans memorial	Law enforcement equipment	Alcohol programs	Parks and recreation	Rural fire training	Drug task force	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,723
-	-	-	-	-	-	135,937
-	-	-	-	-	-	59,717
-	-	-	-	-	-	5,055
350	-	-	-	600	-	292,745
-	-	-	-	-	-	1,002,859
350	-	-	-	600	-	1,529,036
-	-	-	-	-	-	27,688
540	-	-	-	-	-	135,982
1,250	-	-	-	-	-	163,783
-	-	-	-	-	-	323,893
-	-	-	-	-	-	(1,366)
-	-	-	-	-	-	1,442
-	-	-	-	-	-	33,824
1,790	-	-	-	-	-	685,246
(1,440)	-	-	-	600	-	843,790
4,017	596	523	335	-	894	2,995,354
\$ 2,577	\$ 596	\$ 523	\$ 335	\$ 600	\$ 894	#####

GRAY COUNTY, KANSAS

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended December 31, 2015

Fund	Beginning cash balance	Receipts	Disbursements	Ending cash balance
County clerk	\$ 200	\$ 2,316	\$ 2,516	\$ -
Register of deeds	-	169,243	169,243	-
District court	14,581	622,334	621,690	15,225
Sheriff	226	30,200	30,195	231
County treasurer	8,251,121	14,457,773	13,500,199	9,208,695
Local taxing districts	116,563	7,602,558	7,626,684	92,437
Mortgage registration fees	12,082	114,116	111,697	14,501
Drivers record fees	110	390	500	-
Motor vehicle fees and sales tax collection	72,975	966,034	1,006,726	32,283
Wind farm donation	-	1,262,342	1,262,342	-
Payroll clearing funds	434,535	2,292,136	2,293,197	433,474
Juvenile justice	115,380	558,962	647,067	27,275
Law library	23,236	10,176	12,207	21,205
Oil and gas depletion	284,290	82,410	-	366,700
Total agency funds	<u>\$ 9,325,299</u>	<u>\$ 28,170,990</u>	<u>\$ 27,284,263</u>	<u>\$ 10,212,026</u>

See Independent Auditor's Report.